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20 UNITED STATES DISTRICT COURT  
21 NORTHERN DISTRICT OF CALIFORNIA  
22 SAN FRANCISCO DIVISION

23 WAYMO LLC,

Case No. 3:17-cv-00939-WHA

Plaintiff,

**DEFENDANTS' REPLY IN SUPPORT  
OF MOTION FOR SUMMARY  
JUDGMENT**

24 v.  
25 UBER TECHNOLOGIES, INC., OTTOMOTTO  
LLC; OTTO TRUCKING LLC,  
26 Defendants.

Date: September 20, 2017  
Time: 8:00 a.m.  
Ctrm: 8, 19th Floor  
Judge: The Honorable William Alsup  
Trial Date: October 10, 2017

28 **REDACTED VERSION OF DOCUMENT SOUGHT TO BE SEALED**

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1           **UBER'S REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT**

2           **I. INTRODUCTION**

3           Waymo should not be allowed to claim a fundamental principle of optics — [REDACTED]  
 4           [REDACTED] — as a trade secret. Waymo admits that its own '922 patent  
 5           discloses all of the other claimed elements of TS 9 — [REDACTED]  
 6           [REDACTED] As conceded by Waymo's own  
 7           engineers, the remaining element — [REDACTED] — is a  
 8           well-known concept in optics, which is disclosed in public literature and has been used in  
 9           commercially available LiDARs for years.

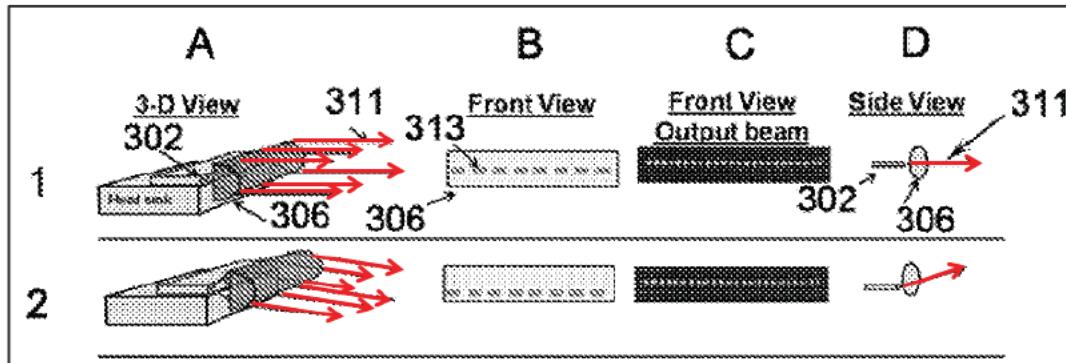
10           Waymo now seeks to bar former Waymo engineer (and '922 patent co-inventor) Gaetan  
 11           Pennecot, now at Uber, from using this basic concept of [REDACTED], which is not disclosed in  
 12           any misappropriated document, but just something that he remembered “in [his] head.” Waymo  
 13           demands, in effect, that any engineer who uses the general concept of [REDACTED]  
 14           [REDACTED] in Waymo’s LiDARs be barred from using this same optics principle ever again. This  
 15           attempt to deprive former employees of their ability to apply general engineering principles is  
 16           contrary to law, and summary judgment should be granted.

17           **II. ARGUMENT**

18           **A. There is No Genuine Dispute that [REDACTED]**  
 19           **[REDACTED] Is a Fundamental Principle of Optics**

20           Waymo’s opposition brief confirms that moving [REDACTED]  
 21           is a fundamental principle of optics. Waymo own witnesses testified that [REDACTED] is  
 22           “something that’s known in optics” (Droz) and that “moving an optical element around moves  
 23           light” is based on “the fundamentals of optics” (McCann). (See Defs. Mot. at 12.) Waymo offers  
 24           no contradictory evidence. Nor does Waymo credibly address the public disclosures, such as the  
 25           '107 patent, that illustrate positioning an [REDACTED] “the trajectory of the output beams 311  
 26           going through the collimation optic” when “the laser elements and collimation optic are slightly  
 27           offset from each other.” (Dkt. 1426-16 at 15:53-55, 15:65-66; see Figure 3 (row 2 output beams

1 in red in column A (3-D view) and column D (side view.) Waymo does not dispute that the '107  
 2 patent shows these altered beams. (*Compare* Defs. Mot. at 12-14, *with* Opp'n at 14-19.)



9 In response to this undisputed evidence of public knowledge, Waymo insists that the  
 10 fundamental concept of [REDACTED] is somehow transformed into a trade secret  
 11 when applied in LiDAR. (Opp'n at 14-16, 18.) Waymo contends that the public references cited  
 12 by Uber fail to disclose "LiDAR systems with [REDACTED]." (Opp'n at 14.) Waymo ascribes importance to this distinction because it argues that "there is no  
 13 reason" to use [REDACTED] outside of Waymo's [REDACTED]  
 14 [REDACTED] (Id. at 10, 14.)

15 But this is sleight of hand. Waymo admits that a LiDAR with [REDACTED]  
 16 [REDACTED] is publicly disclosed in its '922 patent. (Opp'n at 14.) Yet  
 17 Waymo contends that its alleged trade secret of [REDACTED]  
 18 follows from the known design choice to [REDACTED] (Id. at 10; *see also* id. at 14.) In other words, Waymo acknowledges that it cannot bar its former engineers from  
 19 using [REDACTED] but it seeks to bar them from including in such a design  
 20 the basic optical concept of [REDACTED] to adjust the beams — which  
 21 Waymo concedes is driven by [REDACTED]. Having made its [REDACTED]  
 22 [REDACTED] public, however, Waymo should not be permitted, through a back door, to protect  
 23 that design by prohibiting its former engineers from using a basic technique to implement it.

24 Waymo's reliance on former employee and '922 patent co-inventor Gaetan Pennecot's  
 25 testimony that knowledge of [REDACTED] was "in my head" and that he was "impacted by [his]

1 previous experience” underscores the over-reaching nature of its claim. (Opp’n at 13; *see also*  
 2 Defs. Mot. at 15.) Waymo’s claim targeting Mr. Pennecot’s ability to use the same fundamental  
 3 concept that he once applied at Waymo is contrary to case authority that trade secrets cannot  
 4 cover “general engineering principles in the public domain” that are “part of the intellectual  
 5 equipment of technical employees.” *See Winston Res. Corp. v. Minn. Min. & Mfg. Co.*, 350 F.2d  
 6 134, 139 (9th Cir. 1965); *see also id.* at 144 (injunction provisions were unenforceably broad  
 7 because former employees were “free to utilize” the general approach and “basic mechanical  
 8 elements incorporated in that machine” that were not trade secrets).

9 Waymo misrepresents the testimony of Velodyne’s witness to obscure evidence that  
 10 [REDACTED] in a LiDAR system is part of the generalized  
 11 knowledge and skill of LiDAR engineers. (Opp’n at 16-17.) While Waymo points to Velodyne’s<sup>1</sup>  
 12 [REDACTED] it dismisses Velodyne’s  
 13 testimony that [REDACTED]  
 14 [REDACTED] (*Compare* Defs. Mot. at 13, *with* Opp’n at 7-8, 17-18.) But that  
 15 testimony cannot be dismissed: Velodyne’s corporate witness testified that Velodyne engineers  
 16 use the [REDACTED]  
 17 [REDACTED] which is very similar to how both Waymo and Uber  
 18 use FACs to [REDACTED]  
 19 [REDACTED]  
 20 [REDACTED]  
 21 [REDACTED]  
 22 [REDACTED]  
 23 [REDACTED]  
 24 [REDACTED]  
 25 [REDACTED]  
 26 [REDACTED]  
 27 [REDACTED]  
 28 [REDACTED]

(Dkt. 1421-12 at 68:5-69:6.) This mirrors Mr. Droz's testimony that Waymo wanted [REDACTED] on the transmit lens and to achieve the [REDACTED] with [REDACTED] (Dkt. 1526-10 at 229:5-6, 12-14.) Velodyne testimony about its HDL-64E confirms that TS 9's definition of a LiDAR where [REDACTED] is a general concept that is known in the LiDAR field.<sup>1</sup> Contrary to Waymo's contention, the point is not whether Velodyne's [REDACTED] is public or confidential<sup>2</sup> — the point is that the general concept of [REDACTED] is known in the LiDAR field, and follows fundamental principles of optics. (See Defs. Mot. at 15.)

13 It bears repeating that TS 9 is not about any allegedly downloaded files, nor about any  
14 specific lens shape or dimension. (*See* Defs. Mot. at 10, 13, and n.2.) The issue is whether  
15 former Waymo engineers can be precluded from using a concept that Waymo witnesses admit to  
16 be known in optics.

17           B. The Remaining Elements of Trade Secret 9 Are Publicly Known And Are Not Secret

18 Waymo admits all of the other claimed elements of TS 9 are publicly known based on its  
19 own '922 patent. Waymo's Section 2019.210 Statement defines the boundaries of TS 9:

<sup>1</sup> It should be noted that TS 9 is defined as [REDACTED] and Waymo concedes that the Velodyne HDL-64E meets that definition. (Opp'n at 6 n.4, 7.) TS 9 is not defined as comprising [REDACTED]

<sup>2</sup> In response to the attachment of Velodyne’s internal specification and deposition testimony to Defendants’ summary judgment motion, Velodyne filed a declaration to support sealing of these materials. (Dkt. 1455.) Waymo cites this sealing declaration as evidence that Velodyne’s specific design is a trade secret (Opp’n at 17), but the declaration is not dispositive of whether the concept of [REDACTED] is a trade secret.

1 [REDACTED]  
 2 [REDACTED]  
 3 (Dkt. 25-7 at 8.) In its opposition brief, Waymo concedes that the '922 patent discloses [REDACTED]

4 [REDACTED] (Opp'n at 14.) Waymo's own 30(b)(6)

5 [REDACTED] witness Pierre Yves-Droz further conceded that the '922 patent discloses [REDACTED]

6 [REDACTED]  
 7 Q. [REDACTED]

8 [REDACTED] that's  
 9 known in the public; isn't it?

10 THE WITNESS: So that specific application of this specific patents  
 11 [ '922 patent], which is public, seems to be describing an example,  
 you know, that could use that, yes.

12 (Dkt. 1421-7 at 237:19-238:2; *see* Defs. Mot. at 11.) Accordingly, Waymo has already placed the  
 13 rest of alleged TS 9 in the public domain through its '922 patent.

14 Waymo's opposition brief attempts misdirection by focusing on the specific [REDACTED]  
 15 [REDACTED] purportedly "embodied in Trade Secret No. 9," but its trade secret definition does not  
 16 claim any specific design. (Opp'n at 10; *see id.* at 14 (the '922 patent "does not describe the  
 17 *specifics* of Waymo's [REDACTED] (emphasis added).) Earlier in this case, Waymo touted that its  
 18 Section 2019.210 Statement met this Court's *Jobscience* requirements of listing "the specific  
 19 elements for each [trade secret], as claims would appear at the end of a patent." (Dkt. 387-4 at 4.)  
 20 As Waymo defined it, TS 9 broadly claims *any* [REDACTED]  
 21 [REDACTED] It says nothing about any specific [REDACTED], shape, or dimensions. Having made  
 22 the strategic choice to assert a broadly-claimed trade secret, Waymo cannot defend its alleged  
 23 trade secret by pointing to a specific implementation.

24 Waymo's cited cases on trade secret combinations are inapposite here, where Waymo  
 25 otherwise disclosed TS 9 in its own patent but seeks to bar former employees from using the  
 26 fundamental concept of [REDACTED]. In *SkinMedica*, the "fact-intensive"  
 27 question was whether the combination was generally known, because "'implementation details  
 28 and techniques' or other elements of the trade secret [could] go beyond" public disclosures.

1     SkinMedica, Inc. v. Histogen Inc., 869 F. Supp. 2d 1176, 1195 (S.D. Cal. 2012). In *O2 Micro*, the  
2 issue was whether public disclosures revealed a combination of specific characteristics (“number  
3 of bays filled, wire size, turns ratio, and number of turns”). *O2 Micro Int’l Ltd. v. Monolithic  
4 Power Sys., Inc.*, 420 F. Supp. 2d 1070, 1089 (N.D.Cal. 2006). Waymo also cites cases for the  
5 proposition that compiled customer lists (*Contemporary Services, Abba Rubber*) and cost and  
6 pricing data (*Whyte*) can be trade secrets. (Opp’n at 18-19.) But the issue here regarding TS 9 is  
7 not whether public disclosures reveal combinations of implementation details or characteristics.  
8 There is no dispute that Waymo told the world through the ’922 patent about TS 9’s claimed use  
9 of [REDACTED]. (See *id.*  
10 at 14.) The issue is whether Waymo can bar a former engineer who applied at Waymo what  
11 Waymo’s own witnesses have called the “fundamentals of optics” from ever using this general  
12 approach again. Waymo should not be allowed to do so.

13 | III. CONCLUSION

14 Waymo decided to broadly define TS 9, but its definition runs headlong into limitations  
15 on trade secret law that prevent it from being used broadly to limit competition. Here, basic  
16 principles of optics are, and must be, free for all to use. The Court should grant summary  
17 judgment that TS 9 is not a trade secret.

**OTTO TRUCKING'S REPLY IN  
SUPPORT OF MOTION FOR SUMMARY JUDGMENT**

## I. INTRODUCTION

Otto Trucking LLC (“Otto Trucking”) does not belong in this case and summary judgment in favor of Otto Trucking should be granted.<sup>3</sup> Waymo’s misappropriation claims are solely focused on Uber’s Spider and Fuji LiDAR systems. The undisputed facts show that Otto Trucking has never been involved in the development of, and has never used, either the Spider or Fuji system. Waymo does not dispute these facts and concedes that it has no basis to claim that

<sup>3</sup> Waymo has recently withdrawn its patent infringement claim against Defendants, and thus that portion of Otto Trucking's motion is moot.

1 Otto Trucking has directly misappropriated its trade secrets.

2 Recognizing it has no basis for a direct liability claim, Waymo states that it is “simply  
 3 holding Otto Trucking liable . . . under the doctrines of vicarious liability and ratification.”  
 4 Waymo’s Opposition to Defendants’ Motion for Summary Judgment (“Opp.”) at 24. No  
 5 evidence exists to support Waymo’s newly minted legal theories. Otto Trucking did not exist at  
 6 the time of Mr. Levandowski’s alleged misappropriation of Waymo’s alleged trade secrets, and  
 7 an entity cannot be vicariously liable for conduct that happened prior to its existence. Again,  
 8 Waymo does not deny this fact, and does not even try to explain how Otto Trucking can be  
 9 responsible for conduct that predated its existence. Rather, Waymo tries to save its vicarious  
 10 liability claim by arguing that Otto Trucking subsequently ratified the alleged misappropriation  
 11 by “accepting and retaining benefits” from the alleged misconduct. This “benefit,” according to  
 12 Waymo is an increased valuation of Otto Trucking. This theory was conjured by Waymo in the  
 13 Eleventh Hour and is unsupported by any evidence. Waymo’s own damages expert has made no  
 14 mention of this argument or provided any damages theory against Otto Trucking whatsoever. In  
 15 fact, Waymo can point to no evidence that ties any increased valuation to any trade secret.  
 16 Waymo cannot avoid Otto Trucking’s motion by simply making stuff up.

17 Waymo also tries to salvage its claim by incorrectly arguing that Otto Trucking is a joint  
 18 tortfeasor with Uber and Ottomotto. To be considered a joint tortfeasor - and thus subject to joint  
 19 and several liability - Waymo must provide competent evidence that shows a concerted action  
 20 between Otto Trucking and Uber/Ottomotto in connection with the alleged trade secret  
 21 misappropriation. *See infra* at V. But again, Waymo does not and cannot identify a shred of  
 22 evidence suggesting that Otto Trucking was somehow acting in concert with Uber/Ottomotto in  
 23 the alleged misappropriation. In fact, the concession that Otto Trucking has no involvement with  
 24 Fuji and/or Spider is fatal to its claim of joint and several liability

25 Waymo finally claims it cannot obtain complete relief without Otto Trucking because the  
 26 Court cannot fashion an injunction that covers Otto Trucking in the event of a future acquisition  
 27 by Uber. If the Court imposes permanent injunctive relief against Uber for trade secret  
 28 misappropriation, that injunction could certainly – and would normally – cover any current and

1 future affiliates of Uber. In any event, injunctive relief against Otto Trucking is not appropriate  
 2 as Waymo has no evidence to support the underlying claim against Otto Trucking.

3 **II. WAYMO DOES NOT DISPUTE THAT OTTO TRUCKING DOES NOT USE THE  
 4 PRODUCTS AT ISSUE**

5 Waymo concedes it has no claim that Otto Trucking has directly misappropriated its  
 6 alleged trade secrets. The undisputed facts show the following. Otto Trucking has no R&D  
 7 capabilities, no employees, and has no plans to develop technology in the future. *See Declaration*  
 8 of Shane Brun (“Brun Decl.”), Ex. 1 (Bentley 30(b)(6) Dep.) at 80:1-15, 86:18-87:9. The  
 9 undisputed facts show that Otto Trucking has never been involved in the development of, and has  
 10 never used, either the Spider or Fuji system. And Mr. Levandowski’s role is limited to issuance  
 11 of equity interests and “high level” business issues. *See* Brun Decl., Ex. 1 at 68:1-72:20 (“Given  
 12 Otto Trucking’s very limited business operations, the managing members are not required to  
 13 actively manage Otto Trucking. Mr. Levandowski’s and Mr. Ron’s primary duties prior to the end  
 14 of 2016 were to approve the issuances of equity interests in Otto Trucking.”); *see also* Brun Decl.,  
 15 Ex. 1 at 76:23-77:7, Ex. 2 (Deposition of Lior Ron) at 232:1-235-17.

16 Because it has no claim of direct liability, Waymo rests its liability theory on a faulty  
 17 application of the doctrines of vicarious liability and ratification. Opp. 24. As discussed below,  
 18 Waymo’s vicarious liability and ratification arguments are also without any support and fail as a  
 19 matter of law.

20 **III. WAYMO CANNOT PROVE INDIRECT LIABILITY**

21 **A. Vicarious Liability Does Not Apply for Pre-Formation Actions of Mr.  
 22 Levandowski**

23 As stated in Otto Trucking’s motion, Mr. Levandowski’s alleged taking of Waymo’s trade  
 24 secrets occurred before Otto Trucking was even formed. As Otto Trucking did not exist at the  
 25 time, Mr. Levandowski’s alleged taking of Waymo’s trade secrets could not have been in the  
 26 scope of Mr. Levandowski’s role with Otto Trucking, and thus Otto Trucking cannot be  
 27 vicariously liable for that conduct. *See* Motion at 20.

28 Knowing it has no facts to support its claim, Waymo next tries to shift the burden to Otto

1 Trucking to disprove vicarious liability. Specifically, Waymo argues that “Otto Trucking has  
 2 failed to come forward with any credible evidence to absolve itself of liability.” Opp. at 19.  
 3 Waymo bears the burden, not Otto Trucking. Waymo must provide evidence to prove the  
 4 claimed agency relationship exists. *Crystal Cruises, Inc. v. Moteurs Leroy-Somer S.A.*, 545 F.  
 5 App'x 647, 648 (9th Cir. 2013) (quoting *Inglewood Teachers Ass'n v. Pub. Emp't Relations Bd.*,  
 6 227 Cal.App.3d 767, 780 (1991)(upholding summary judgment because plaintiffs “failed to raise  
 7 a genuine dispute of material fact relevant to [Defendant] being vicariously liable”); *C.A.R.  
 8 Transp. Brokerage Co., Inc. v. Darden Restaurants, Inc.*, 213 F.3d 474, 480 (9th Cir.2000).  
 9 Waymo has not, however, raised a dispute of material fast as to whether Otto Trucking may be  
 10 found vicariously liable for Mr. Levandowski’s alleged conduct.

11           **B.     Vicarious Liability Does Not Apply for Post-Formation Actions of  
 12           Mr. Levandowski**

13           **1.     Waymo cannot show Otto Trucking participated in, ratified, or  
 14           benefitted after it was formed**

15           Waymo also suggests that liability can attach based upon an allegation that  
 16           Mr. Levandowski possessed trade secrets post-formation of Otto Trucking. (Opp. at 22)  
 17           (“Mr. Levandowski *continued and continues* to possess these trade secrets during the time when  
 18           he is an Otto Trucking executive”) (emphasis in original). But vicarious liability attaches only  
 19           when the alleged wrongful conduct is within the authority of the agent/employee. Mot. at 20;  
 20           *Droeger v. Welsh Sporting Goods Corp.*, 541 F.2d 790, 792–93 (9th Cir. 1976). But Waymo  
 21           offers no evidence that Mr. Levandowski’s alleged possession is within the scope of Mr.  
 22           Levandowski’s limited role as a Managing Member or within the scope of Otto Trucking’s  
 23           business, which is to own trucks. Waymo tries to save its vicarious liability argument by  
 24           incorrectly claiming that Otto Trucking subsequently ratified Mr. Levandowski’s alleged conduct  
 25           by accepting and retaining some benefit from the alleged misappropriation. The undisputed facts  
 26           show that Otto Trucking never used any of the alleged trade secrets, and no evidence suggests  
 27           that Otto Trucking has otherwise accepted, or retained any benefit from, Waymo’s allegedly  
 28           stolen trade secrets.

Waymo’s ratification theory is to assert that the alleged continued possession of Waymo’s

1 trade secrets by Mr. Levandowski, “as an Otto Trucking executive . . . effectively increases the  
 2 value that Otto Trucking would have as an acquisition target to Uber” and identifies this supposed  
 3 increase in value as an “accepted and retained benefit by Otto Trucking.” Opp. at 23. This  
 4 argument was fashioned from whole cloth by Waymo just to try to avoid this motion. Waymo  
 5 has offered no facts to demonstrate an increase in value tied to the so-called trade secrets and has  
 6 offered no expert testimony to support this errant theory. Waymo’s ratification argument is  
 7 without any evidentiary support whatsoever, and the Court should give it absolutely no weight.<sup>4</sup>

8       Waymo next claims that “Otto Trucking has ratified [the alleged] misappropriation by  
 9 failing to take any adverse action against Levandowski . . .” Opp. at 22. This argument is legally  
 10 flawed. As has been discussed and revisited many times in this case, as Mr. Levandowski is one  
 11 of two managing members of Otto Trucking, Otto Trucking does not have the authority or ability  
 12 to take the affirmative actions against Mr. Levandowski as proposed by Waymo without Mr.  
 13 Levandowski’s consent. *See* Brun Decl., Ex. 2 at 282:19-283:10; Ex. 1 at 72:5-11 In any event,  
 14 an inability to take adverse action for activities outside the business of Otto Trucking is not  
 15 ratification as a matter of law for the reasons explained above.

## 16           **2.       Waymo’s cases are inapplicable here**

17       Waymo relies upon three District Court opinions to support its vicarious liability theories.  
 18 All three are inapplicable. Each case involves situations where the employer / principal clearly  
 19 participated in and benefitted from the alleged misconduct of its employee. In *Extreme Reach*,  
 20 for example, the Court found that “evidence also exists that SpotGenie’s CEO had some  
 21 involvement in misappropriation of the Customer List” and the Extreme Reach has raised  
 22 question regarding SpotGenie’s direct liability for misappropriation. *Extreme Reach, Inc. v.*  
 23

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24       <sup>4</sup> Waymo’s discussion of privilege issues surrounding the Stroz report is also a red herring. Opp.  
 25 at 14-23. As with most of its opposition, Waymo does not explain how these discussions of  
 26 privilege relate to, or raise any disputed material fact supporting, its opposition. In fact, Waymo  
 27 successfully argued that Otto Trucking was not a party to the Stroz investigation and had no  
 28 interest to protect. It is now judicially estopped from arguing a contrary position. *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001) (“[W]here a party assumes a certain position in a  
 legal proceeding, and succeeds in maintaining that position, he may not thereafter, simply  
 because his interests have changed, assume a contrary position, especially if it be to the prejudice  
 of the party who has acquiesced in the position formerly taken by him.”

1        *SpotGenie Partners, LLC*, No. CV 13-07563-DMG (JCGx), 2013 WL 12081182 at \*6 (C.D. Cal.  
 2        2013). In holding that SpotGenie could also possibly be vicariously liable for the alleged  
 3        misappropriation, the Court further held that “SpotGenie knew that the Sales Managers might  
 4        misappropriate Extreme Reach’s Customer List — indeed, SpotGenie hired them with the  
 5        expectation that they would bring Extreme Reach’s book of business with them — and therefore  
 6        their misappropriation was foreseeable.” SpotGenie’s involvement and direct benefit from the  
 7        alleged misappropriation in *Extreme Reach* is not comparable to Otto Trucking’s position in this  
 8        case.

9              As noted above, Otto Trucking did not even *exist* at the time of the alleged  
 10        misappropriation, and thus could not have approved or otherwise been involved in the alleged  
 11        misappropriation. Further, contrary to *Extreme Reach*, which is a preliminary injunction  
 12        decision, discovery in this case is now complete, and Waymo cannot point to a *single* fact  
 13        suggesting that Otto Trucking participated in, ratified, or was otherwise involved in any way in,  
 14        Mr. Levandowski’s alleged misappropriation.

15              Like *Extreme Reach*, *Language Line Servs., Inc. v. Language Servs. Associates, LLC*, No.  
 16        C-10-02605 JW, 2010 WL 2764714 (N.D. Cal. 2010) involved evidence of the defendant  
 17        employer’s use and benefit from the allegedly stolen trade secret. The defendant employer had  
 18        conceded that its employees “impermissibly used Plaintiff’s customer information” in connection  
 19        with the employer’s business. *Id.* at \*2. Here, Otto Trucking was not in existence at the time of  
 20        the alleged misappropriation, and the indisputable facts are that Otto Trucking did not participate  
 21        in, ratify, or otherwise become involved in any way in, Mr. Levandowski’s alleged taking of  
 22        Waymo’s trade secrets. And as discussed above, Waymo has not presented any evidence to  
 23        suggest that the alleged misconduct by Mr. Levandowski was somehow within the scope of Otto  
 24        Trucking’s business, which is simply to hold trucks.

25              Finally, in *Fujitsu*, a ruling on a motion to dismiss, the court simply stated that plaintiffs  
 26        had stated a claim with the conclusory allegation that the counter-defendant was “acting with and  
 27        for UI.” *Competitive Technologies v. Fujitsu Ltd.*, 286 F.Supp.2d 1118, 1148 (2003). The Court  
 28        also noted “Fujitsu has not cited to any authority establishing that a principal may be held liable

1 for misappropriation of trade secrets even where it is unaware that information constitutes a trade  
 2 secret and does not itself disclose the trade secret.” *Id.* Here, Waymo has shown no evidence that  
 3 Otto Trucking knew what the trade secret was and it is undisputed that Otto Trucking did not  
 4 disclose any trade secrets.

5 **IV. OTTO TRUCKING CANNOT BE HELD LIABLE THROUGH REVERSE VEIL  
 6 PIERCING**

7 With no viable claim of indirect liability, Waymo is simply attempting to pierce the  
 8 corporate veil in reverse to hold Otto Trucking liable based solely on the fact that Mr.  
 9 Levandowski owns a substantial number of shares in Otto Trucking. The Court should not allow  
 10 it. As an initial matter, it appears that reverse veil piercing is prohibited as a matter of law in  
 11 California and multiple other jurisdictions as it would be “a complete distortion of” and a “radical  
 12 and problematic change” in the alter ego doctrine. *Postal Instant Press, Inc. v. Kaswa Corp.*, 162  
 13 Cal.App.4th 1510 (2008); *see also He Nam You v. Japan*, 150 F.Supp.3d 1140, 1150 (N.D. Cal.  
 14 2015). This alone should be sufficient to negate Waymo’s claims. Second, even if reverse veil  
 15 piercing were allowed, a plaintiff must first show that (1) it has no alternative adequate remedies  
 16 and (2) no innocent shareholders would be harmed by the piercing. *Postal Instant Press* at 1524.<sup>5</sup>  
 17 Waymo does not attempt to make either showing, and it couldn’t even if it tried. As discussed in  
 18 its Motion, Otto Trucking has over one hundred innocent shareholders that would potentially be  
 19 directly and unjustly harmed if the Court were to allow Waymo to hold it liable for Mr.  
 20 Levandowski’s alleged conduct. And Waymo plainly has adequate remedies in this case without  
 21 Otto Trucking. Waymo’s claims of misappropriation in this case have been solely directed at  
 22 Uber and Ottomotto. If Waymo is able to prove its claims, it clearly will be able to recover fully  
 23 from Uber.

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27       <sup>5</sup> Contrary to Waymo’s argument, to the extent reverse piercing is allowed, it is not  
 necessarily limited to the circumstances of a third party seeking to reach the assets of a company  
 to satisfy a judgment against a shareholder. *See Postal Instant Press*, 162 Cal.App.4th at 1518.  
 28 (“a corporation may be held liable for the debts or conduct of a shareholder.”)

1       **V. OTTO TRUCKING CANNOT BE JOINTLY AND SEVERALLY LIABLE FOR  
2 TRADE SECRET MISAPPROPRIATION**

3           Joint tortfeasors may be held jointly and severally liable for trade secret misappropriation.  
 4           However, for joint and several liability to attach, each tortfeasor must have involvement in the  
 5           misappropriation. Waymo has offered no competent evidence to demonstrate any involvement by  
 6           Otto Trucking, and thus cannot be jointly and severally liable for Uber and Ottomotto's alleged  
 7           torts. Mot. at 20; *see also Mayhugh v. County of Orange*, 190 Cal. Rptr. 537, 540 (Cal. App. 4th  
 8           Dist. 1983)(dissent) ("[T]o constitute "joint tortfeasors," the following three elements must be  
 9           present: (1) a concert of action; (2) a unity of purpose or design; (3) two or more defendants  
 10          working separately but to a common purpose and each acting with the knowledge and consent of  
 11          the others."). Waymo falsely claims "that Otto Trucking is collaborating on the 'Otto Trucking  
 12          project [] to develop an AV kit that can be integrated to a truck." Opp. at 19, Ex.29. Waymo  
 13          cites Otto Trucking's 30(b)(6) witness to support its errant position. This testimony supports Otto  
 14          Trucking, not Waymo. The cited deposition testimony is clear that this work is being performed  
 15          exclusively by Uber employees, not Otto Trucking, and that Uber is the beneficiary of that work.  
 16          Moreover, under the Framework Agreement, all intellectual property that may be used on Otto  
 17          Trucking's trucks is owned and controlled by Uber. *See* Brun Decl., Ex. 3..

18           Waymo otherwise does not attempt to explain or provide any authority to demonstrate  
 19          how Otto Trucking can be considered a joint tortfeasor with Uber and Ottomotto in connection  
 20          with Waymo's trade secret claims. Waymo does not and cannot identify a single fact suggesting  
 21          any concert of action and cooperation between Otto Trucking and Uber/Ottomotto in connection  
 22          with alleged misappropriation of Waymo's trade secrets. Indeed, the undisputed facts are that  
 23          Otto Trucking has never obtained, used, or disclosed any Waymo alleged trade secrets; and  
 24          Waymo has never even alleged any specific involvement by Otto Trucking in the alleged  
 25          misappropriation.

26           Because Otto Trucking plainly cannot be considered a joint tortfeasor in this case, it  
 27          cannot be held jointly and severally liable with Uber and Ottomotto on those claims.

1           **VI. WAYMO MISSTATES THE RECORD**

2           Waymo claims that the Court has already determined that “Otto Trucking is ‘soaked’ with  
 3 **liability,**” and relies upon statements made earlier in Court proceedings. Opp. at 19 (citing Dkt.  
 4 775 at 65:18-24). Here again, Waymo is misleading. The cited exchange between the Court and  
 5 counsel related to Otto Trucking’s connection to the Stroz report as it came up in Court-issued  
 6 questions to Uber. In response to Otto Trucking’s counsel statement that Uber’s counsel did not  
 7 represent Otto Trucking in connection with the Stroz report, the Court *asked* “so doesn’t Otto  
 8 Trucking — isn’t Otto Trucking soaked . . . with. All guilty knowledge attributable to  
 9 Levandowski is attributable to Otto trucking.” But at the end of the discussion, the Court  
 10 acknowledged counsel’s point “that as to [the facts at issue], they don’t pertain to Otto Trucking”:  
 11 “All right. That part is a fair point.” Dkt. 775 at 66:15-18. While the “soaked” comment may be  
 12 a fun soundbite for Waymo, and regardless of exactly what the Court meant in its cited  
 13 comments, the Court did not predetermine at that hearing that Otto Trucking is vicariously liable  
 14 for Mr. Levandowski’s alleged conduct as Waymo claims. Indeed, “it is generally not  
 15 appropriate to . . . impute an agent’s knowledge of a secret to the principal . . . when the trade  
 16 secret was not actually communicated to or used by the principal. The plaintiff is not entitled to a  
 17 windfall when in fact there has been no invasion of those interests which trade-secret law seeks to  
 18 protect.” *Droeger*, 541 F.2d at 793 (9th Cir. 1976).

19           **VII. THE COURT CAN FASHION THE APPROPRIATE EQUITABLE REMEDIES  
 20 WITHOUT OTTO TRUCKING**

21           Waymo argues that without Otto Trucking, the court will be unable to fashion an appropriate  
 22 remedy if Waymo prevails against Uber and Ottomotto. Not only is Waymo putting the cart  
 23 before the horse here as it must establish liability before seeking injunctive relief, its  
 24 characterization of the scope of injunctive relief is false as a matter of law. *See, e.g., Toyo Tire &*  
*Rubber Co., Ltd. v. CIA Wheel Group*, SACV150246DOCDFMX, 2017 WL 514324, at \*3 (C.D.  
 25 Cal. Jan. 23, 2017) (holding that corporate affiliates and parents were bound by an injunction  
 26 entered into by a subsidiary.) Pursuant to Fed. R. Civ. P. 65, an injunctive order is binding upon  
 27 “the parties to the action, their officers, agents, servants, employees, and attorneys, and upon  
 28

1 those persons in active concert or participation with them who receive actual notice of the order.”  
 2 *S.E.C. v. Wencke*, 622 F.2d 1363, 1368 (9th Cir. 1980). In the event Uber exercises its option to  
 3 purchase Otto Trucking, any injunctive relief granted against Uber would obviously apply to Otto  
 4 Trucking. In fact, regardless of a potential Uber acquisition, any injunction exercised upon Uber  
 5 would immediately impact Otto Trucking, as all of Otto Trucking’s trucks are operated solely by  
 6 Uber employees and any intellectual property and technology installed on those trucks comes  
 7 from Uber under the Framework agreement. Contrary to Waymo’s professed concern, Uber’s  
 8 potential acquisition of Otto Trucking and the Court’s ability to fashion the right relief, is simply  
 9 not an independent reason to keep Otto Trucking in this case. Indeed, as with the bulk of its  
 10 opposition, Waymo cites zero authority for this proposition. Waymo’s irrelevant concern must  
 11 not keep Otto Trucking in a case where it does not belong.

### 12 **VIII. CONCLUSION**

13 For the foregoing reasons, the Court should grant Otto Trucking’s motion for summary  
 14 judgment that it has not misappropriated any Waymo trade secret.  
 15

16 Dated: September 18, 2017

MORRISON & FOERSTER LLP

17

By: /s/ Michael A. Jacobs  
 18 MICHAEL A. JACOBS

19

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21 Dated: September 18, 2017

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## **ATTESTATION OF E-FILED SIGNATURE**

I, Michael A. Jacobs, am the ECF User whose ID and password are being used to file Defendants' Reply in Support of Motion for Summary Judgment. In compliance with General Order 45, X.B., I hereby attest that Neel Chatterjee has concurred in this filing.

Dated: September 18, 2017

/s/ Michael A. Jacobs

MICHAEL A. JACOBS